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NOTES.

PROFESSOR DUNBAR.

CHARLES FRANKLIN DUNBAR, professor of political economy in Harvard University, died in his seventieth year, on January 29, 1900. It is with a sinking heart that we chronicle the passing of another of the first economists of our country. Born at Abington, Massachusetts, July 28, 1831, he spent his life in that state, varied by a short stay in Louisiana during the Civil War. In 1851 he was graduated at Harvard, where he was conspicuous for his accurate literary style; he studied law for a time in the Harvard Law School; then lived in the country at Lexington, Mass., for some years, writing more or less for Boston newspapers. In 1859 he became assistant editor, and in 1864 editor in chief, of the Boston *Daily Advertiser*, making it in a short time a power of the first importance. Probably no editorials written during that period of our history showed anything like the insight and grasp of the facts and principles relating to our financial policy which were displayed in those of Mr. Dunbar. The *Advertiser* became easily the first newspaper in New England, and its editor became known as a writer of unusual attainments and a man of exceptional force and ability.

Harvard University at that time had no professorship of political economy, the subject being taught by the professor of philosophy, Francis Bowen. One of the first results of the policy of Charles W. Eliot, chosen president of Harvard in 1869, was the appointment of Mr. Dunbar to a chair of political economy in 1871, which he held to the time of his death. His incumbency, therefore, covers the interesting period of the development of economic instruction in the United States from small beginnings to a symmetrically arranged curriculum. Professor Dunbar's discretion and sound judgment led to his being chosen as Dean of the Faculty (in succession to Professor E. W. Gurney) from 1876 to 1882. In addition to his teaching, and in spite of a weak constitution and frail health, he successfully performed his administrative tasks, though at a great loss to economics during what should have been most productive years. In 1891 Harvard University gave him the degree of LL.D., a distinction rarely offered to those still in the active service of the institution.

By temperament Professor Dunbar was not disposed to rapid production. His accuracy as to facts, his exactness of expression, his contained brevity, his caution made writing a slow process; but what he did publish was characterized by a singular efficiency, force, logic, and literary finish. His treatment was exhaustive and convincing; the depth of his scholarship and a constitutional aversion to inaccuracy made impossible even minor blemishes in his work. The following books form his best known contributions to economics:

Laws of the United States relating to Currency, Finance, and Banking from 1789 to 1891. Boston: Ginn & Co., 1891. 8vo. pp. 309.

Chapters on the Theory and History of Banking. New York: Putnam's Sons, 1891. 12mo. pp. vi + 199. [First privately printed, Cambridge, 1885, without the chapters on "Combined Reserves," and "Bank of Amsterdam."]

His most characteristic work, however, is to be found in the following articles:

"Economic Science in America, 1776-1876," *North American Review*, January 1876.

"The Reaction in Political Economy," *Quarterly Journal of Economy*, October 1896.

"Deposits as Currency," *ibid.*, July 1887.

"The Direct Tax," *ibid.*, July 1889.

"The Academic Study of Political Economy," *ibid.*, July 1891.

"The Bank of Venice," *ibid.*, April 1892.

"The Bank Note Question," *ibid.*, October 1892.

"The New Income Tax," *ibid.*, October 1894.

"Safety of the Legal Tender Paper," *ibid.*, April 1897.

"The National Bank System," *ibid.*, October 1897.

"Can We Keep a Gold Currency?" *ibid.*, April 1899.

His history of economics in this country from 1776 to 1876 is so judicial, so just, so comprehensive that it must always stand as the best introduction to any historical treatment of our science in America. It is a model of its kind.

Professor Dunbar was so little known to the general public, by reason of his modesty and lack of advertising skill, that his services to the cause of sound monetary education may easily be underrated. Public addresses he never gave; but through his teaching and writing on money and taxation he undoubtedly changed the currents of thinking among leaders of opinion. Receiving from the erratic McLeod a

most valuable suggestion of the identity existing between bank issues and deposits in their service to a bank, he gave it such cogent and lucid exposition that it may now be regarded as a part of our general stock of beliefs, thereby having no small influence on the thinking of the day. His article on "Deposits as Currency" cannot possibly be overestimated as a clear and practical exposition of monetary operations generally overlooked by the business world, especially as they concern the elasticity of our currency. It is to be hoped that his death will not prevent the carrying out of his plan to issue a new volume dealing with existing currency problems. In a letter to the writer during the sessions of the Monetary Commission (December 5, 1897) he said: "With reference to the suggestion in your letter about another article, the two which I have written (Greenbacks and National Banking) were part of a scheme, and to be followed by a third, much on the line which you mention." This third article was the one on a Gold Currency published in 1899—the last of his work. These studies (including "Deposits as Currency") should be reprinted in book form so that they may be accessible to the general public. They are the best writing of any American economist on the problems still before us for settlement. When one realizes how much influence Professor Dunbar might have had upon public opinion by such work as this, one almost begrudges to Harvard University the time and strength he gave to her administrative work, and even to the preparation of his really valuable volume of *Laws*, which might have been done by a mind far less fit than his for original and wise handling of great public questions.

It should not be forgotten, also, how much valuable historical material on the finances of the Civil War is buried in the files of the *Boston Advertiser* in Professor Dunbar's editorials. A great service could be rendered by the publication under competent editorship of these valuable papers.

Doubtless, as he himself would have said, his greatest service to political economy was not performed by his writing, but by his work in the class room and his organization of economic teaching at Harvard; for his was a pioneer's task, at a period soon after the Civil War, when the minds of the community were turned to the solution of new economic problems, for which university instruction had hitherto given little help.

The controlling principle which guided him in the development of the courses, as well as in the conduct of the *Quarterly Journal of Economics* founded in 1886, cannot be better stated than in his words characterizing political economy: "Broad as are its applications in the actual affairs of life, it is mastered and fruitfully studied best as an abstract inquiry. . . . Hence, . . . the impossibility of stating the application of any scientific law under special conditions, until the nature of the law has first been thoroughly investigated, abstraction being made of all accidents of time, place, or disturbing influences (*North American Review*, 1876, p. 146). Before the history, should come a grasp of the principles whose history was desired; before the practical applications, should come a process by which the economic laws were thoroughly assimilated. Remembering that the first extension of economic courses took place in these years at Harvard, and that students went from there to other institutions, it is not too much to say that there is no department of political economy in the country today which has been unaffected by this policy, in spite of the effort to approach the subject first by courses dealing with the descriptive material and the history of doctrine. Hence Professor Dunbar, through his insight, judgment and analytic quality, has had more influence upon the teaching of political economy in America than can be assigned to any other man. Perhaps this conclusion would have been to him the most satisfying encomium which could be pronounced upon him. The somewhat Ricardian quotation above given should not be misinterpreted: it is not a declaration for theoretical treatment *per se*; for no one was more fitted by nature and by experience than he for the testing of theory by facts. His conception of the best methods of adjusting the courses of instruction so as to produce the best economist was not infrequently misunderstood by the callow, or superficial student; it often required a year or so of faith before the worker learned enough to see the value of the disciplinary methods. Professor Dunbar was concerned more with giving men mental grasp and power to think in the subject than with giving them useful information—great as is that temptation in so practical a subject as economics. Also, as editor of the journal he was most interested in stimulating the discussion of principles and theory which would lead to additions to the science, knowing full well that the eager pressure for practical results would bring forth enough useful and timely material.

In view of this attitude toward his subject, it is well to remember that his actual achievements were all in the field of practical economics, thus keeping that poise between logical reasoning and concrete experience which was so marked in Adam Smith and Bagehot. But his mind kept a firm and steady grasp upon the theoretical discussions, no matter how far they wandered into ethical or political complications. This quality appears at its best in "The Reaction in Political Economy," written as a declaration of the editor in the first number of the *Quarterly Journal of Economics*. By showing that the reaction was largely due to the stoppage of scientific inquiry by the failure to extend discussion to the fresh experience of recent times, he made it evident that the differences of opinion as to method were mainly differences in degree, and aided in bringing about in America the present freedom from dispute on this matter. Likewise, by pointing out that the most rigid Ricardian may reject or accept *laissez faire*, without doing violence to his standing as a member of the so-called old school, he explained that it had nothing to do with economic reasoning itself, that it concerned only the applications of such reasoning. His position, then, among modern economists was clearly that of a consistent, broad, philosophical student closely interested in practical problems; too learned to be an extremist; too exact to be visionary; too penetrating to be carried away by any passing fads.

Possessing a frail body, a weak voice, an impersonal manner, and no great magnetism as a teacher, yet no one of Professor Dunbar's friends will ever forget his strong, refined face, his penetrating eye, his self-possession, his deliberation of perfectly-adjusted speech, his keenness, his flashes of humor, his knowledge of human nature, his practical common sense, and his political sagacity. His students everywhere throughout the land will unite in doing honor to his memory.

J. LAURENCE LAUGHLIN.

DR. MACFARLANE ON "COMPLEMENTARY GOODS."¹

IN Part I of his recently published book Dr. MacFarlane has developed numerous original, and sometimes erroneous concepts. He argues, for instance, that if the Austrians had considered the case of the good made to order, they would have been led to modify their theory at the point where it eliminates the sellers' valuations;² though it need

¹ *Value and Distribution*. Philadelphia: Lippincott & Co., 1899.

² P. 46.